

Federal Health Insurance Reform

Frequently Asked Questions: High-risk Insurance Pool

What is the new federal high-risk insurance pool?

The purpose of the federal high-risk pool is to provide affordable insurance for Americans who are uninsured and have a pre-existing condition. The Montana Affordable Care Plan (MACP) will provide temporary insurance coverage for people with pre-existing conditions until 2014, when private insurance companies can no longer deny coverage based on health status.

Who is eligible for the Montana Affordable Care Plan?

Montanans who have been without comprehensive health insurance coverage for at least six months and who have a pre-existing health condition will be able to apply to the MACP for coverage. Pre-existing condition exclusions do not apply to this coverage.

When will it go into effect?

MACP should be accepting applications on July 1, 2010.

Is there a current high-risk pool in Montana?

Yes. The Montana Comprehensive Health Association (MCHA), offers individual health insurance policies to eligible Montana residents. MCHA provides coverage to almost 3,000 Montanans.

Who qualifies for the MCHA now?

Montana residents are eligible for MCHA if diagnosed with or treated for a serious condition or if two private insurance companies have denied coverage in the past six months.

MCHA coverage is also available to anyone leaving group plans and who have at least 18 months of prior "creditable coverage" and to those whose only private options include "exclusionary riders" that deny coverage of a serious health need.

How is MACP funded? How is MCHA funded?

The new pool, MACP, will be funded by the premium payments of enrollees and by the federal government to cover costs beyond what the premiums cover. Federal funding will not subsidize individual premiums, but covers losses in the pool, thus reducing premiums of enrollees across the entire pool.

MCHA is funded by premium payments of enrollees and an assessment on private insurance companies equal to 1% of their health insurance premiums written in this state. Premium subsidies, available for persons at or below 150% of the federal poverty level, are paid out of tobacco settlement funds and other federal grant dollars.

What are the premiums for the MACP? What are the current MCHA premiums?

The amount of individual premiums in the MACP are equal to the average premiums in the private market for people of the "average" risk who do not have pre-existing conditions. The amount cannot be predicted until plans are designed and implemented. Premiums will vary based on the type of plan an enrollee chooses and his or her age.

Premiums for the current high risk pool at MCHA depend on many factors including the type of plan selected. Rates are available at www.mthealth.org.

How long will the MACP and MCHA last?

The new pool is temporary by design and will cease when the new health insurance exchanges are running by January 1, 2014. At that time, private insurance companies will not be able to deny coverage for a pre-existing condition, and the pool will not be needed.

How do I sign up for the new pool?

Watch for updates at this CSI site at www.csi.mt.gov, or you may call CSI at 1-800-332-6148.

Find out more:

csi.mt.gov

1.800.332.6148

